

HB 544: QUESTIONS & ANSWERSExhibit No. 2Date 3-23-07Bill No. HB-544**1. What does HB 544 accomplish?**

It allows members of the Highway Patrol Officer and Municipal Police Officer Retirement Systems to have their dues withheld from their benefit checks similar to a payroll deduction. Presently all active officers within the Association of Montana Troopers (AMT) have their dues withheld from their paychecks. HB 544 seeks to accomplish the same result as applied to retired members. In addition by using the "qualified organization" language in the bill, it protects retirees from unwanted solicitations to join organizations for which they were never members during their active duty tenure.

2. Who brought HB 544 forward and why?

The retirees from AMT want a means by which they could accomplish the following: (1) pay their dues similar to the way they paid them as active officers, (2) have membership dues taken-out incrementally rather than all at once, (3) get accurate contact information to keep in touch with members, and (4) stay connected to the organization and the benefits attached to membership. The Montana Police Protective Association believes this bill will have similar beneficial impacts for its members.

3. Why do individuals continue to pay for membership once they have retired?

In addition to the aforementioned connectivity aspects, associations offer a variety of membership benefits and community service for most of these individuals hardly ends at retirement. For example, the AMT sponsors the Montana Hope Project, which is designed to grant children with life-threatening illnesses the fulfillment of their life's wish. AMT also sponsors the Special Olympics, offers college scholarship grants to members' children, and provides certain service retirement gifts.

4. Why not just do an automatic deduction from a bank account?

While the transfer of money to an organization is an unquestionable benefit, the true purpose of HB 544 is to enhance and foster connectivity among individuals who faithfully served their families, friends, communities, and the State of Montana in similar capacities. Because the contact information within the retirement systems is the most accurate way to contact people, it makes sense to utilize the systems in that regard.

5. Is there a benefit withholding precedent at the Montana Public Employees' Retirement Administration (MPERA)?

Yes. Presently, retirement system members may elect to have the monthly premium for a group insurance plan withheld by the retirement system and paid directly by the system to the insurance carrier under Mont. Code Ann. § 19-2-904.

6. Will this create an administrative burden on MPERA?

It shouldn't. By way of example, it took the Department of Justice 15-20 hours of staff time to get the payroll deduction initially set-up, and modifications take 15-20 minutes annually. AMT respectfully disagrees with the draft fiscal note, which should be substantially revised in light of the amendments proposed to the bill. In addition, instead of creating the election process in statute, HB 544 proponents have agreed to work with MPERA through the rulemaking process so that MPERA can have some flexibility on administering the program. Moreover, HB 544 is wholly consistent with the stated mission of MPERA, which is to "efficiently provide quality benefits, education and service to help MPERA plan members and beneficiaries achieve a quality retirement."

7. What other jurisdictions offer similar retirement services?

There are literally dozens of public retirement systems in other states and local governments that allow the withholding of association dues. Some statewide examples include Arizona, California, Delaware, Colorado, Illinois, Maine, Nevada, New Mexico, New York, Ohio, Hawaii, Washington, and West Virginia.